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Arrowhead Pharmaceuticals, Inc. (ARWR-NASDAQ)

ARWR: SHASTA-3 and SHASTA-4 Data Presented at ESC 2026

Based on our probability adjusted DCF model that takes into account potential future revenues from the company's development products, ARWR is valued at $100/share. This model is highly dependent upon the continued clinical success of those programs and will be adjusted accordingly based upon future clinical outcomes.

Current Price (08/08/26)	$86.34
Valuation	**$100.00**

OUTLOOK

On August 30, 2026, Arrowhead Pharmaceuticals, Inc. (ARWR) announced the presentation of results from the SHASTA-3 and SHASTA-4 trials of plozasiran in adults with severe hypertriglyceridemia (sHTG) at the European Society of Cardiology (ESC) Congress 2026. Both studies met their primary endpoint with median triglyceride reductions from baseline of 79% and 81%, respectively. In addition, more than 90% of treated patients achieved triglyceride levels <500 mg/dL, which is below the threshold for sHTG. Arrowhead is planning to file a supplemental new drug application (sNDA) with the U.S. FDA for plozasiran before the end of 2026. The company previously announced the purchase of a Priority Review Voucher (PRV) to be used in conjunction with the sNDA.

SUMMARY DATA

52-Week High	**$89.59**
52-Week Low	**$27.17**
One-Year Return (%)	**217.78**
Beta	**1.28**
Average Daily Volume (sh)	**1,050,258**
Shares Outstanding (mil)	**141**
Market Capitalization ($mil)	**$12,162**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**63**
Insider Ownership (%)	**4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2026 Estimate	**-23.6**
P/E using 2027 Estimate	**-18.2**

Risk Level	**Average**
Type of Stock	**Large-Growth**
Industry	**Med-Drugs**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2025	2.5 A	542.7 A	27.8 A	256.5 A	829.4 A
2026	264.0 A	73.7 A	75.3 A	50.0 E	463.0 E
2027					300.0 E
2028					320.0 E

Earnings per Share

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2025	-$1.39 A	$2.78 A	-$1.26 A	-$0.17 A	-$0.01 A
2026	$0.22 A	-$0.93 A	-$1.36 A	-$1.35 E	-$3.45 E
2027					-$4.33 E
2028					-$4.33 E

WHAT'S NEW

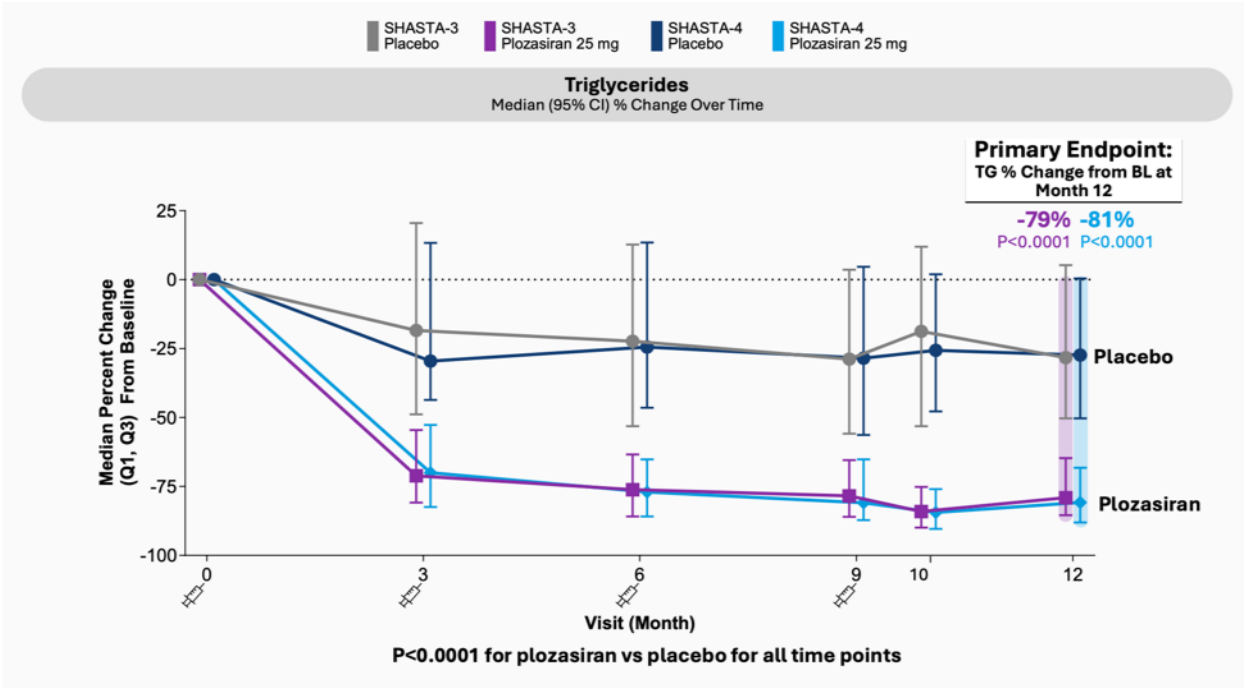
Business Update

SHASTA-3 and SHASTA-4 Data Presented at ESC 2026

On August 30, 2026, Arrowhead Pharmaceuticals, Inc. (ARWR) announced the presentation of results from the SHASTA-3 and SHASTA-4 trials of plozasiran in patients with severe hypertriglyceridemia (sHTG) at the European Society of Cardiology (ESC) 2026 Meeting. Highlights from the data presentation include:

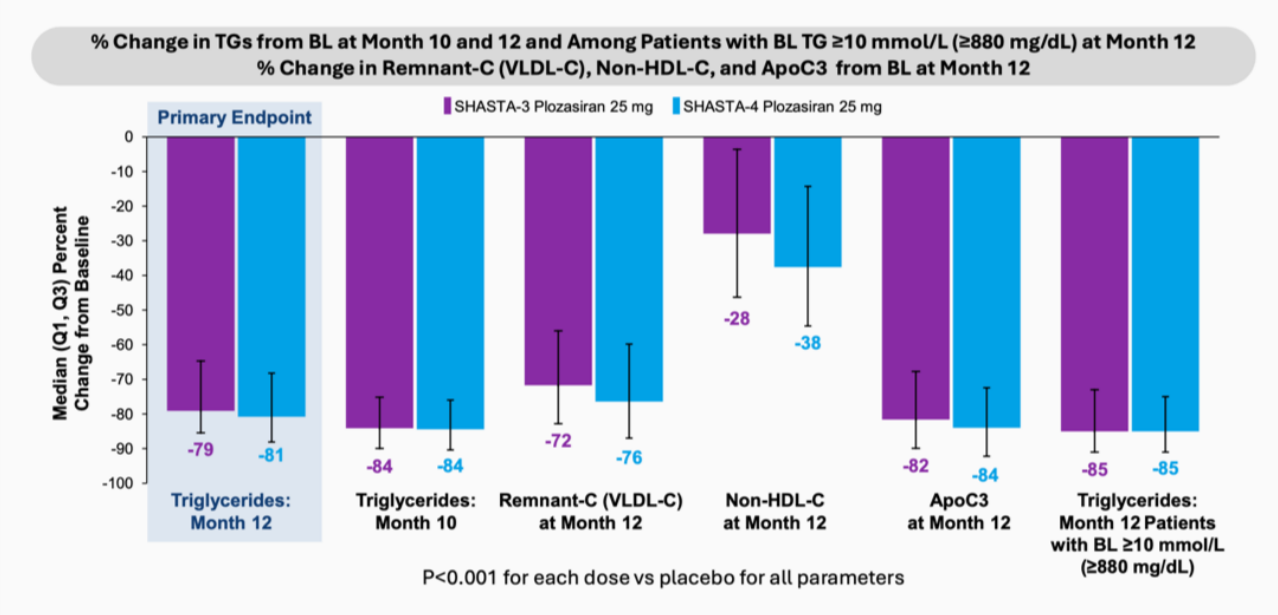
- Mean triglyceride (TG) reductions of 79% and 81% compared to placebo in SHASTA-3 and SHASTA-4, respectively
- >90% of plozasiran-treated patients achieved TG <500 mg/dL at Month 12; >50% achieved TG <150 mg/dL
- Pooled results showed a significant reduction in acute pancreatitis (AP) events across the whole sHTG population of 78% compared to placebo
- No significant increase in mean HbA1c over time

The following figure shows the decrease in TG over the course of the study. By Month 3, treatment with plozasiran had resulted in a statistically significant decrease in TG compared to placebo with the results at Month 12 showing the 79% and 81% decreases for SHASTA-3 and SHASTA-4, respectively. Both of those results were highly statistically significant with $P < 0.0001$.



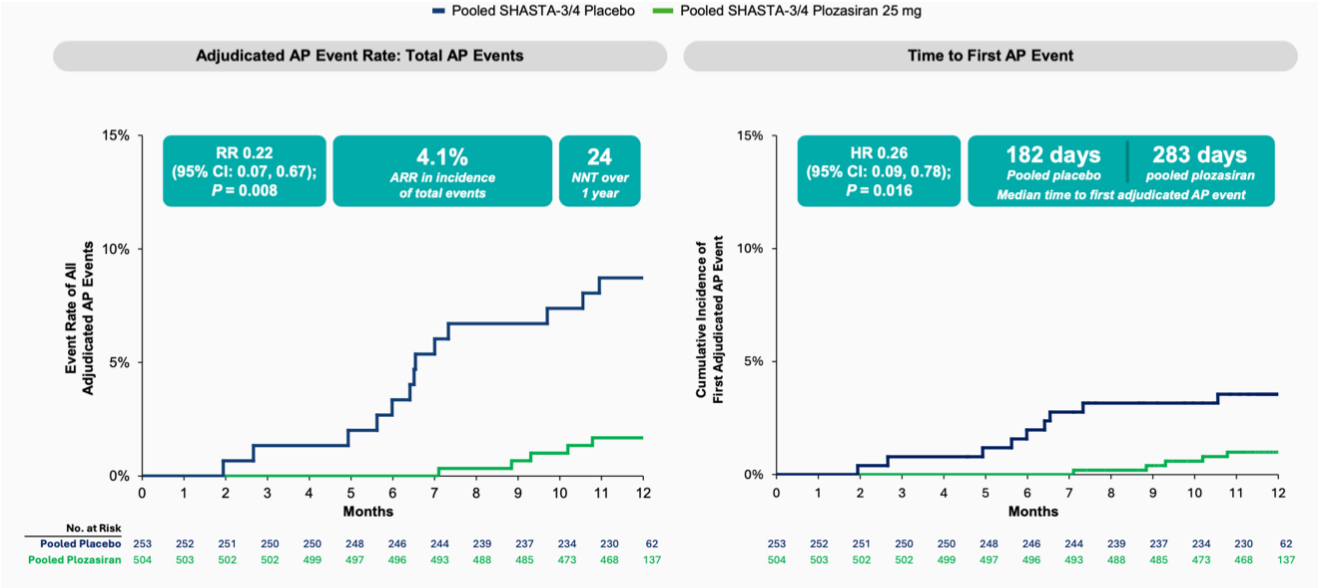
Source: Arrowhead Pharmaceuticals, Inc.

Not only were there significant effects on TG level but also on a number of other lipid parameters, including remnant cholesterol, non-high-density lipoprotein (non-HDL) cholesterol, and ApoC3, as shown in the following figure. All of the parameters tested showed significant decreases compared to placebo (P<0.001). In addition, for patients with baseline TG ≥ 880 mg/dL, there was an 85% decrease in TG level at Month 12 in both the SHASTA-3 and SHASTA-4 trials.



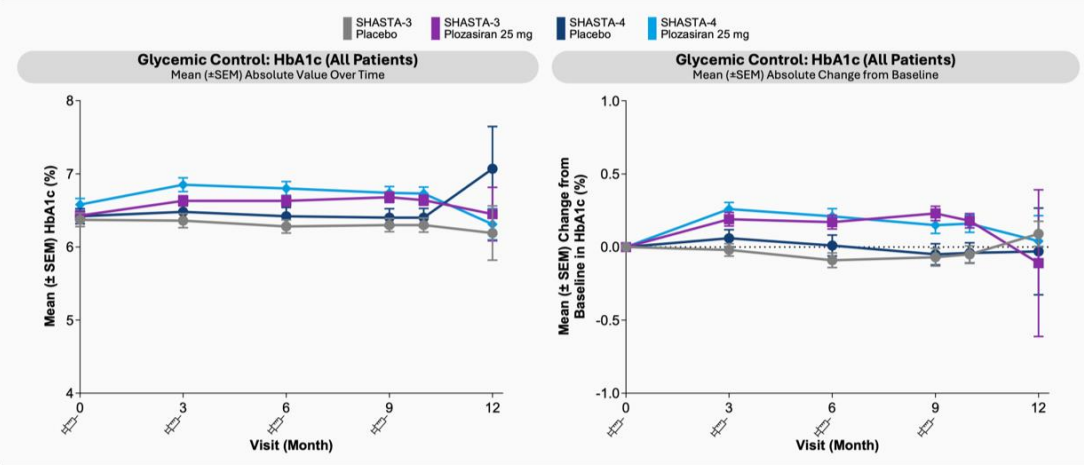
Source: Arrowhead Pharmaceuticals, Inc.

The SHASTA-3 and SHASTA-4 trials included a pre-specified pooled analysis of AP events. Treatment with plozasiran resulted in a 78% decrease in the rate of all AP events compared to placebo (*P*=0.008), which corresponded to a 4.1% absolute risk reduction and a number needed to treat to prevent one AP event over one year (NNT) of 24. The figure on the right shows the mean time to first adjudicated AP event, which was 182 days for placebo-treated patients compared to 283 days for plozasiran-treated patients (*P*=0.016).



Source: Arrowhead Pharmaceuticals, Inc.

Plozasiran continued to exhibit a favorable safety and tolerability profile, with overall adverse events (AEs) similar between groups. While worsening glycemic control was reported in 14% of pooled plozasiran patients compared to 8.7% of pooled placebo patients, the following chart shows that there was no worsening of HbA1c over the 12 months of the trial.



Source: Arrowhead Pharmaceuticals, Inc.

Conclusion

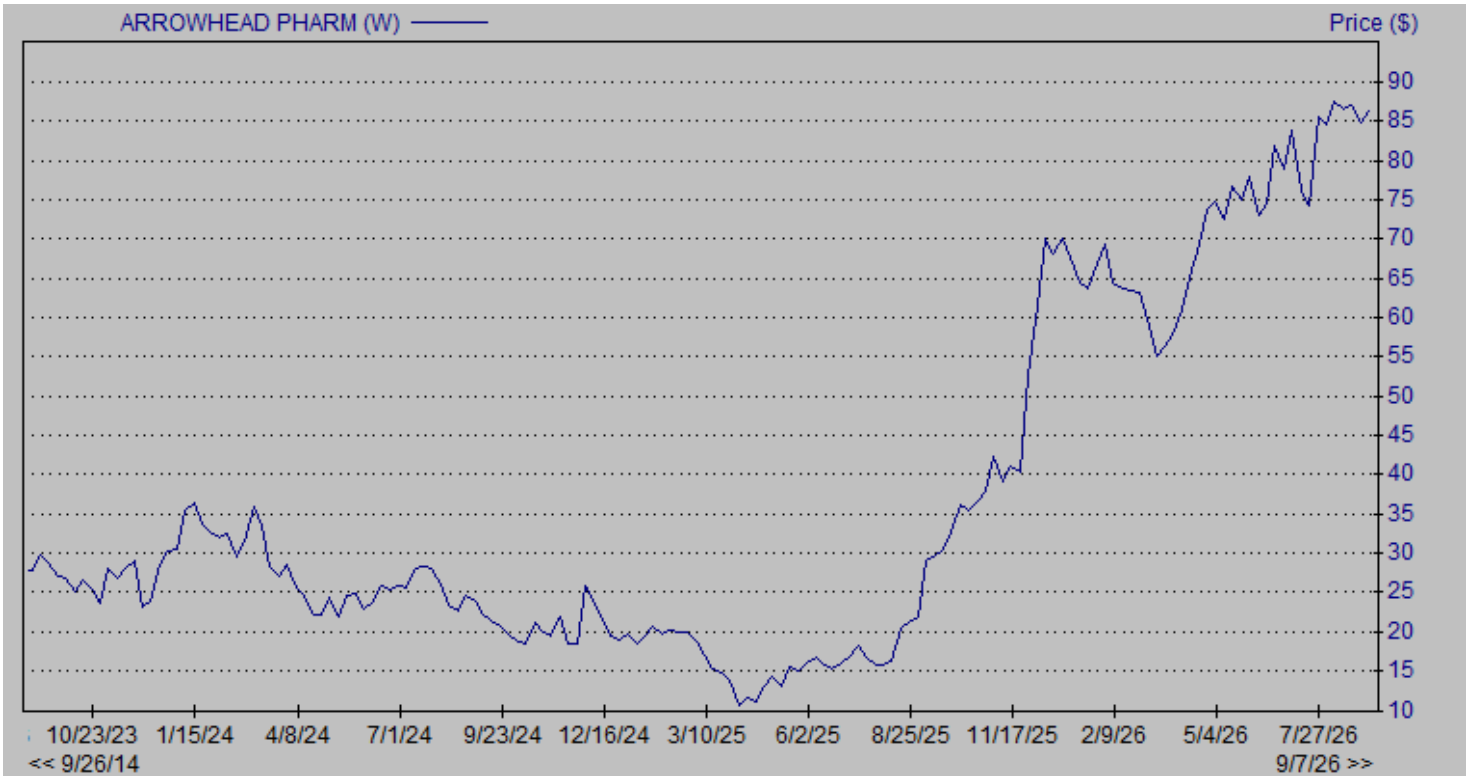
The SHASTA-3 and SHASTA-4 trials resulted in the best-case scenario for plozasiran: the drug dramatically reduced TG levels across the sHTG population, including in patients at highest risk for developing AP, plozasiran treatment resulted in a statistically significant decrease in AP events, and the drug had a favorable safety and tolerability profile. Arrowhead is planning to file a supplemental new drug application (sNDA) for plozasiran for the treatment of sHTG before the end of 2026. After acquiring a priority review voucher (PRV) last month, Arrowhead is planning to use it for the sNDA, which decreases the review time from the standard 10 months to 6 months. We believe the SHASTA-3 and SHASTA-4 data makes plozasiran very competitive in the sHTG market, particularly given its effect on AP events. We look forward to updates on the sNDA filing as the year progresses and to a potential launch of plozasiran in sHTG, pending approval, in 2027. With no changes to our model, our valuation remains at $100.

PROJECTED FINANCIALS

Arrowhead Pharmaceuticals, Inc.	FY2025 A	Q1FY26 A	Q2FY26 A	Q3FY26 A	Q4FY26 E	FY2026 E	FY2027 E	FY2028 E
Revenue	$829.4	$264.0	$73.7	$75.3	$50.0	$463.0	$300.0	$320.0
YOY Growth	*391.4%*	*-51.3%*	*165.6%*	*-70.7%*	*-94.0%*	*426.2%*	*918.5%*	*1260.0%*
Total Revenues	**$829.4**	**$264.0**	**$73.7**	**$75.3**	**$50.0**	**$463.0**	**$300.0**	**$320.0**
YOY Growth	*391.4%*	*-51.3%*	*165.6%*	*-70.7%*	*-94.0%*	*426.2%*	*918.5%*	*1260.0%*
Cost of Revenue	$0.0	$0.0	$0.0	$0.0	$0.2	$0.2	$2.5	$5.3
Gross Income	**$829.4**	**$264.0**	**$73.7**	**$75.3**	**$49.9**	**$462.9**	**$297.5**	**$314.7**
Gross Margin	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*99.7%*	*100.0%*	*99.2%*	*98.3%*
R&D	$607.2	$177.2	$173.3	$198.2	$180.0	$728.7	$720.0	$740.0
% R&D	*73.2%*	*67.1%*	*235.0%*	*263.4%*	*360.0%*	*157.4%*	*240.0%*	*231.3%*
Salary and G&A	$123.9	$46.0	$41.7	$47.1	$48.0	$182.9	$190.0	$200.0
% SG&A	*14.9%*	*17.4%*	*56.6%*	*62.6%*	*96.0%*	*39.5%*	*63.3%*	*62.5%*
Other expenses	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
% Other	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Operating Income	**$98.3**	**$40.8**	**($141.3)**	**($170.1)**	**($178.2)**	**($448.7)**	**($612.5)**	**($625.3)**
Operating Margin	*11.9%*	-	-	-	-	*-96.9%*	*-204.2%*	*-195.4%*
Other Income (Net)	($46.8)	($12.5)	$3.7	($8.8)	($15.0)	($32.7)	($15.0)	($15.0)
Pre-Tax Income	**$51.5**	**$28.3**	**($137.6)**	**($178.9)**	**($193.2)**	**($481.3)**	**($627.5)**	**($640.3)**
Net Taxes (benefit)	$21.4	$0.0	$0.0	$0.0	$1.8	$1.8	$0.0	$0.0
Net Loss Attributable to Noncontrolling Interest	$31.7	$2.6	$4.8	$15.4	$3.5	$4.5	$0.0	$0.0
Reported Net Income	**($1.6)**	**$30.8**	**($132.7)**	**($194.3)**	**($191.5)**	**($487.7)**	**($627.5)**	**($640.3)**
Net Margin	*-0.2%*	-	-	-	-	*-105.3%*	*-209.2%*	*-200.1%*
Reported EPS	**($0.01)**	**$0.22**	**($0.93)**	**($1.36)**	**($1.35)**	**($3.45)**	**($4.33)**	**($4.33)**
YOY Growth	-	-	-	-	-	-	-	-
Basic Shares Outstanding	133.8	137.0	142.4	143.4	142.0	141.2	145.0	148.0

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

HISTORICAL STOCK PRICE



Source: Zacks SCR

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